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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 6, 2014

Certified Return Receipt
7011 2970 0001 8828 2266

Dan Wolfe
1584 South 580 East, Suite A
American Fork, Utah 84003

Subject: Division Directive to Complete Reclamation, Dan Wolfe, Red Wolf MPI Mine, S/039/0021, Sanpete County, Utah

Dear Mr. Wolfe:

On November 9, 2011, the Division of Oil, Gas and Mining received a letter purportedly signed by Mr. Allen Shelley, the land owner at the Red Wolfe MPI mine site, indicating that the mine had been satisfactorily reclaimed, and stating specifically that the large boulders could remain on the site.

The Division inspected the Red Wolf MPI mine site on October 27, 2011, at which time the general earthwork was determined to be adequate with the exception of the large, concentrated boulders located on the northwest corner of the site. Based on the November 9, 2011, letter, the Division agreed that earthwork was fully acceptable, including the boulders, and released \$4,000 of the \$7,000 reclamation surety.

On July 15, 2013, the Division received a letter from Mr. Shelley, stating that he did not sign the November 9, 2011, letter, and indicating he was not pleased with the reclamation. In a phone call, he specifically mentioned his displeasure with the large boulders.

On September 16, 2013, Division personnel inspected vegetation growing at the site, and it was determined that vegetation was not adequate to meet the post-mining land use for this site. As such, the remaining reclamation surety needs to be retained. In an October 15, 2013, letter to you, the Division denied release of additional reclamation surety, and recommended that the site be re-scarified and re-seeded using a seed mix appropriate for the post-mining land use.

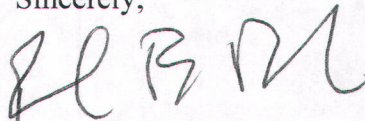
You are hereby directed to either remove or bury the remaining large boulders located at the Red Wolf MPI mine by July 15, 2014. Failure to complete this action by the stated deadline is likely to result in enforcement action and associated fines.

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The site previously had an infestation of Scotch thistle, and it is likely there was dormant seed in the soil that has now germinated. The Division recommends that you examine the area and make control efforts if necessary.

Thank you for your cooperation. Please contact Peter Brinton at 801-538-5258, or me at 801-538-5261 if you have questions about this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: pnb: eb

cc: Red Wolf Development Inc. (402 W 1500 N Lehi, Utah 84043)

Allen Shelley, landowner (105 East 200 South, Number 96, Mount Pleasant, Utah 84647)

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